



CITY OF HAYWARD AGENDA REPORT

AGENDA DATE October 27, 1998

AGENDA ITEM 3

WORK SESSION ITEM _____

TO: Mayor and City Council

FROM: Director of Community and Economic Development

**SUBJECT: REQUEST FROM EDEN HOUSING, INC. FOR HOME
INVESTMENT PARTNERSHIP FUNDS TO ACQUIRE AND
REHABILITATE 742 HARRIS COURT**

Recommendation:

It is recommended that the Redevelopment Agency Board approve a loan of \$165,000 from the City's HOME Investment Partnership funds.

Background:

On February 24, 1998, the City Council/Agency Board approved a loan in the amount of \$1,100,000 to Eden Housing Inc. (EHI) for the acquisition and rehabilitation of five properties on Harris Court, with the proviso that EHI obtain an allocation of low income tax credits from the State of California to provide the equity financing for the project. In August, EHI was awarded those tax credits and the project is moving forward.

As the City Council is aware, Harris Court is a cul-de-sac off of Tyrrell Avenue. Improvements on Harris Court will help to reduce crime in the neighborhood and encourage continued homeownership in the two condominium conversion projects on Tyrrell Avenue. Of the nine properties on Harris Court, the EHI project contains four contiguous properties and a fifth which is separated from the others by one parcel, 742 Harris Court. A map showing the locations of these parcels is attached.

The owner has informed EHI of his interest in selling 742 Harris Court; the four-plex property contains 3 two-bedroom units and one three-bedroom unit. The addition of this parcel to the project would make the project boundaries contiguous, improving the safety of residents and the long-term appearance of the project since EHI's strict tenant selection and management standards would be applied to the heart of the cul-de-sac. Rents on these units will not exceed 60% of median for a family of four; an income of approximately \$38,000 per year.

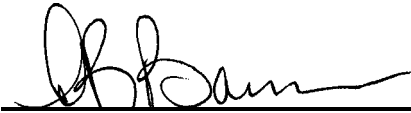
Mayor and City Council
October 27, 1998

The entire acquisition and rehabilitation cost of this parcel is estimated to be \$420,000. EHI is requesting a loan of \$165,000 from the City's HOME funds and will obtain the remainder of the financing from a mortgage lender. No City funds will be released to escrow until after EHI has obtained a written commitment from a lender for the portion of the project that it is financing. There is currently a balance of approximately \$900,000 in HOME funds available for use in the City. The term of the loan would be for 55 years and the interest rate set at the 11th District Federal Home Loan Bank cost of funds, which are also the loan terms for the purchase and rehabilitation of the other five Harris Court properties.

Summary

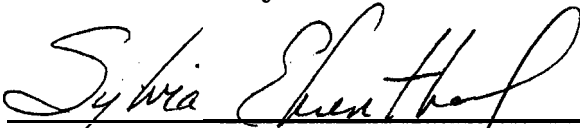
Staff believes that the addition of this parcel to the Harris Court project will significantly enhance the project by providing a noticeably upgraded, uniform appearance to the heart of the cul-de-sac and simplify property management issues.

Prepared by:



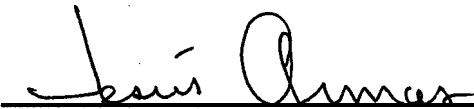
Arm R. Bauman
Community Planning and Economic Development Administrator

Recommended by:



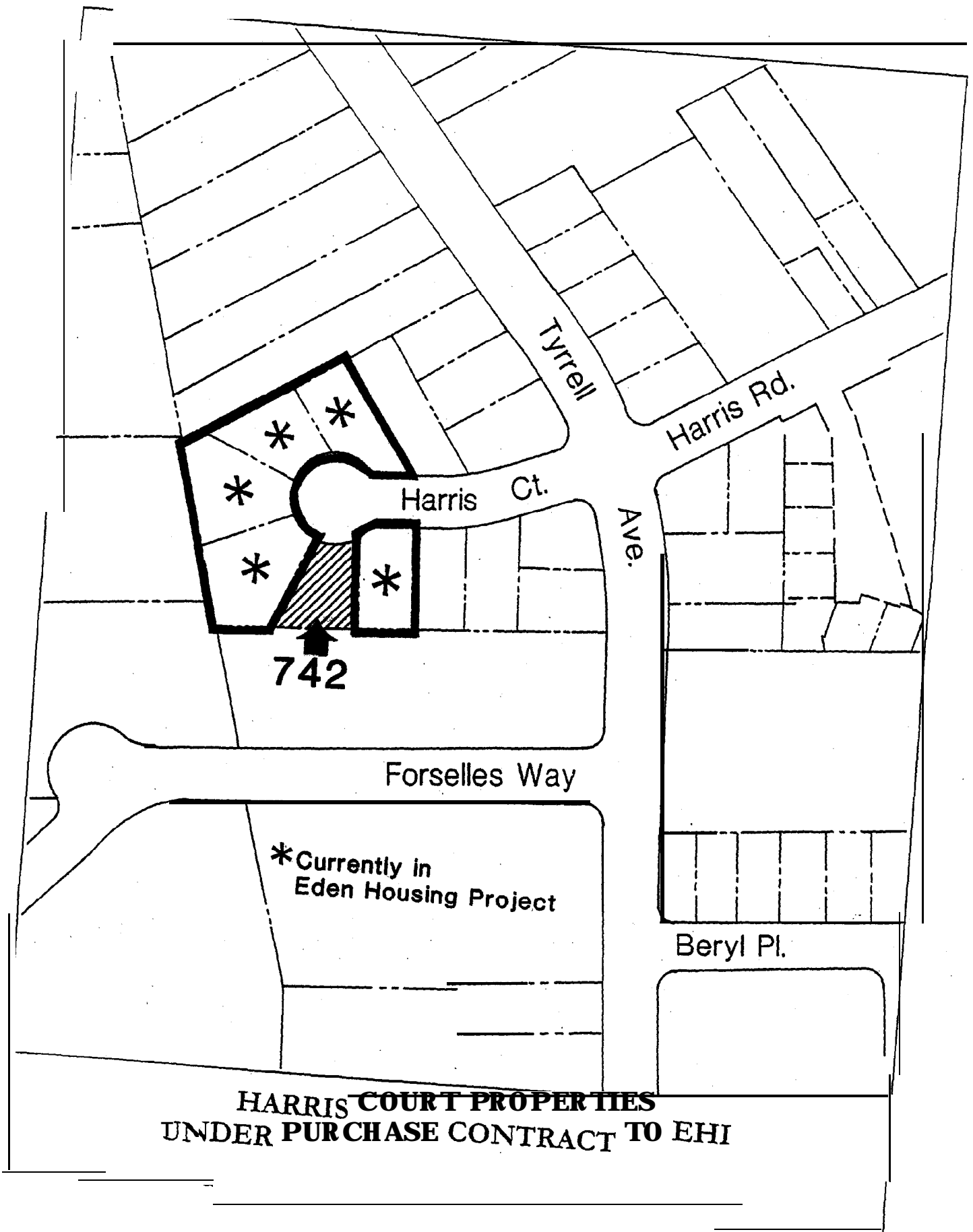
Sylvia Ehrenthal
Director of Community and Economic Development

Approved by:



Jesús Armas
City Manager

Attachment: Parcel Map of Harris Court
Resolution



DRAFT

JB 10/22/98

CITY OF HAYWARD

RESOLUTION NO. ____

Introduced by Council Member _____

RESOLUTION AUTHORIZING A LOAN OF \$165,000 FROM
THE HOME FUND TO EDEN HOUSING INCORPORATED

BE IT RESOLVED by the City Council of the City of Hayward that the loan of \$165,000 from the HOME Fund, Fund 228, is hereby authorized as a loan to Eden Housing Incorporated for the acquisition and rehabilitation of 742 Harris Court.

IN COUNCIL, HAYWARD, CALIFORNIA _____, 1998

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST: _____
City Clerk of the City of Hayward

APPROVED AS TO FORM:

City Attorney of the City of Hayward